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TESTIMONY to the Committee on Public Health

March 5, 2014

Re: SB-35, An Act Concerning Notice of Acquisitions Joint Ventures and Affiliations of Group Medical Practices

Ellen Andrews, PhD

Executive Director

Thank you for the opportunity to share our support for SB 35 and to thank the committee for raising this important bill. We also have suggestions for improvements to promote transparency.

We at the CT Health Policy Project have worked for almost fifteen years to improve the affordability of health care for every Connecticut resident. As a consumer advocacy organization, we get calls every day on our helpline from consumers struggling to pay medical bills – both direct provider bills and our state's very high insurance premiums driven, in part, by provider bills. Health care in Connecticut is too often not affordable.

Consolidation of the market resulting from mergers of hospitals and provider groups has been a primary cause of rising health costs in Connecticut as in other states. Beyond this, these mergers and purchases can affect access to care in multiple ways, often by pricing services beyond the means of many patients especially those who have no coverage or have high-deductible plans. Many of these mergers can make significant and troubling changes to the health care system without triggering regulatory review under current law.

SB 35's provision to notify the Attorney General when mergers or acquisitions are pending is important to protect the state's interests. However the bill would be immensely improved by including a broader public notice requirement as well. Patients and communities deserve a chance to weigh in and prepare for a merger as soon as possible. Any possible impact of disclosure on the participants in a merger are dwarfed by the interests of patients and communities that will feel the impact of higher costs and reduced access to care. I also urge policymakers to ensure that the annual report described in Section 7e also be made public and posted online for similar reasons.

It is also critical that the disclosure of financial details of any agreement under Section 7c must be detailed. Very small changes in financial arrangements can disrupt incentives in important ways with significant impacts on patients and communities.

I urge you to pass SB 35, adding transparency provisions, to improve the affordability of health care in Connecticut. Thank you for your time and your commitment to improving the health of every Connecticut resident.